

## (11) TRAINEE HANDOUT

### TRAINING FOR VSO LESSON ELEVEN IMPROVED PENSION CLAIMS, ELIGIBILITY VERIFICATION REPORTS (EVRS) & INCOME VERIFICATION MATCHES (IVMS)

**PREREQUISITE TRAINING** Prior to this training you should have completed the lesson on “Introduction to Development” and “Establishing Dependents for VA Purposes”.

**PURPOSE OF LESSON** The purpose of this lesson is to present material so that at the completion of the lesson you will be able to:

- Identify the forms, and the process for filing a veterans original claim for improved *pension* benefits.
- Identify the eligibility requirements for pension benefits.
- Assist the veteran in applying for pension.
- Explain the Eligibility Verification Reports (EVRs) and how to complete the form.
- Explain the annual Income Verification Matches (IVMs) and the importance of accurately reporting ALL income.

**TIME REQUIRED** 1 hour and 15 minutes

**INSTRUCTIONAL METHOD** Lecture, participatory discussion and practical exercise.

**MATERIALS/ TRAINING AIDS** Classroom or private area where a discussion may be held. Chairs and writing surfaces are required.

- Note pad, and pen or pencil
- Handheld calculator
- Each student should have a current copy of VA Form 21-526, Veterans Application for Compensation and/or

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Pension, complete with instructions.

If the Instructor wishes, you should also have VA Form 21-527, Income – Net Worth and Employment Statement.

### CLAIMING PENSION

If the veteran has completed *Part C and D* of the VA Form 21-526, Application for Compensation and Pension, *he is claiming pension*. If he has previously filed a VA Form 21-526 for compensation, to claim pension now, he would complete a VA Form 21-527, Income-Net Worth and Employment Statement. A VA Form 21-527 cannot be used as a claim for pension if the veteran never filed a VA Form 21-526.

Non-service connected pension is intended to supplement the income of veterans who are in need of financial assistance and provide a minimum level of financial security. Pension is payable when the veteran is totally disabled due to disability or disabilities that was not/were not incurred or aggravated in the active military service. There are three different pension programs, however, only **Improved Pension** is payable for current original claims.

In order to receive pension, the veteran must have an honorable discharge from wartime service for a minimum amount of time (90 days/24 continuous months), be permanently and totally disabled (or over age 65, or receiving Social Security disability, or in a nursing home for long term care) and income and net worth must be within the limitation provided by law.

#### Military Service Requirements.

1. The veteran must have an other than dishonorable discharge.
2. The veteran must have wartime service. (You can refer to **War Time Periods Job Aid**.) Only one day of service during a period of war is required. The veteran did not have to serve in combat. If the veteran lacks wartime service, eligibility to pension does not exist.
3. If the veteran has wartime service, he needs to have served in the active military service for 90 days; or twenty-four (24) months of continuous active

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duty if: (1) if he/she originally enlists (enlisted person only) in a regular component of the Armed Forces after September 7, 1980 (a person who signed a delayed-entry contract with one of the service branches prior to September 8, 1980, and under that contract was assigned to a reserve component until entering on active duty after September 7, 1980, shall be considered to have enlisted on the date the person entered on active duty); and (2) Any other person (officer as well as enlisted) who enters on active duty after October 16, 1981.

If the minimum active duty service requirements are not met, eligibility may be established if it can be shown that the veteran was discharged from military due to service connected disability or where military records show the veteran had a disability at discharge which would have warranted discharge for disability. Travel Days may have an impact on meeting the 90 day service requirement.

### Disability Requirement:

Basic entitlement exists if a veteran:

1. Is age 65 or older; or
2. Is in receipt of Social Security Disability benefits, or
3. Is a patient in a nursing home for long term care, or
4. Is permanently and totally disabled from non-service connected disability not due to the veteran's own willful misconduct.

### Income Requirements:

Eligibility for VA nonservice-connected pension benefits is contingent on, among other things, the claimant's income. A claim for an income-based benefit must be denied if countable income exceeds the applicable income limit. Income limits, *Maximum Annual Pension Rate (MAPR)*, are established by Law. In Improved Pension cases, the level of countable income determines the rate of VA benefits that can be paid. The higher the claimant's countable income, the lower the rate of VA benefits payable.

*NOTE:                   Maximum Annual Pension Rate (MAPR)  
                              Less the Veteran's income for VA purposes (IVAP)  
                              Remaining amount divided by 12 is the monthly pension*

In order to determine the *annual* pension rate, income is required annually.

***Basic rule.*** Payments of any kind or from any source will be counted as income unless specifically excluded. Income will be counted for 12 months. The term *veteran's annual income* includes the annual income of the veteran's dependents.

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Information is requested on the VA Form 21-526 concerning medical, legal or other expenses actually paid by the veteran. These expenses may be deductible from his/her income. On the application, show the amount of *unreimbursed* medical expenses the *veteran paid* for the veteran or relatives the veteran is under an obligation to support. Legal or other expenses paid because of a disability for which civilian disability benefits have been awarded. Show medicare deduction. **Do not** include any expenses for which reimbursement is expected or has been received.

**Note:** Total medical expenses that exceed 5% of the veteran's MAPR are referred to as allowable unusual medical expense and may be used to reduce the countable income. Normally these expenses are allowable after the fact. However, medical expenses may be allowed prospectively if the claimant is paying recurring medical expenses that are reasonably predictable.

***Accountable income minus allowable expenses is referred to as Income for VA Purposes (IVAP).***

### NET WORTH:

Pension is intended to supplement the income of veterans who are in need of financial assistance and provide a minimum level of financial security. However, if it is shown that the veteran (to include "dependent" family members) has substantial assets that are sufficient to meet basic needs, then it is reasonable to expect that those assets be used before pension would be paid. "Net worth" or "corpus of estate" means the market value, less mortgages or other encumbrances, of all real and personal property owned by the claimant except the claimant's single-family dwelling and reasonable personal effects. Unsecured debts which do not affect the market value of an asset are not a factor in determining a claimant's net worth.

The basic issue in evaluating net worth is whether or not the claimant's financial resources are sufficient to meet his or her basic needs without assistance from VA. The pension program is intended to afford beneficiaries a minimum level of financial security. It is not intended to protect substantial assets or build up the beneficiary's estate for the benefit of heirs. If a claimant's assets are sufficiently large that the claimant could use these assets to pay living expenses for a reasonable period of time, net worth is excessive.

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### DEPENDENCY REQUIREMENT:

A person claiming any income based benefits MUST report all dependents. Income based claimants may not manipulate family composition to maximize their benefits, i.e. not claiming a spouse who has income and/or substantial assets.

### VA Form 21-526, Application for Compensation and/or Pension

VA Form 21-526 must be used if this is the veteran's original claim for pension. The previous lesson on "Preparing and Submitting Original Live Claims", you were given instructions on how to complete this form. (Refer to pages 3 and 4 in your "Preparing and Submitting Original Live Claims Trainee Handouts".

**REMEMBER:** The VBA will make the final decisions regarding disability, dependency, income and net worth. To have an accurate decision made, help the claimant give correct information.

Complete a claim even if income appears to be excessive. This will protect the effective date in the event the income is reducible by medical expenses later in the year.

### What to Attach with the Application

1. Evidence, if available, of an honorable discharge from wartime active service, showing dates of active duty. If evidence is not available, give complete military service information on the application form in order for the VBA to verify the veteran's service requirements.

2. If the veteran is not age 65, or receiving Social Security Disability benefits, or not in a nursing home for long term care, current medical evidence showing that the veteran is suffering from disability sufficient to render him/her impossible to follow a substantially gainful occupation or to justify that the disability(ies) are permanently and totally disabling. Attach VA Form 21-4142 signed by the veteran, if current medical evidence is not attached and the veteran received treatment from a private facility.

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### When and Where to Send the Completed Application

As discussed in prior lessons, pension benefits are usually effective from the date the claim is received in the VA. Therefore, it is almost always in the veteran's best interest to get the claim to the VA as soon as possible. If you are waiting for evidence, send in the application and then send the evidence separately when received at a later date.

### ELIGIBILITY VERIFICATION REPORTS (EVRs)

To preserve the integrity of the pension program, the Eligibility Verification Report (EVR) is a form to request income, net worth, dependency status and any other information necessary to determine entitlement to pension. Failure to return an EVR will result in suspension of benefits and eventual termination. The beneficiary must sign the form. If there is no signature, the form is incomplete.

The Service Officer *cannot* sign for the client.

All blocks *must* be completed. Any blocks left blank means the EVR is incomplete. Under no circumstance will the absence of a positive entry in an item be interpreted as none or not applicable. A “?” or “unknown” is the same as no response.

The return address on EVRs is one of the Pension Maintenance Centers (Philadelphia, Milwaukee or St. Paul). If the EVR is returned to a regional office, the RO will forward it to the correct PMC.

### INCOME VERIFICATION MATCHES (IVM)

On a regular basis, the VA receives information from several Federal Agencies and compares the information used to determine the status of VA beneficiaries. The matches identify cases where there are apparent contradictions. The VA will notify the veteran and ask for a verification or an explanation. The Pension Maintenance Centers are responsible for the processing of most *Income Verification Matches*.

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**SERVICE OFFICER'S ROLE IN PREPARING ORIGINAL PENSION CLAIMS**

Applying for VA **PENSION** benefits can be daunting for a first-time applicant and a Service Officer can make the task much more approachable.

Assist the client with the form. He will need to state what disabilities he has that make him unemployable or totally and permanently disabled. The veteran must show all dependents whether he want to claim them as dependents or not, show income from all sources, his total net worth.

At the end of the 21-516, you will find a VA Form 21-4142. This is the form we use to request private treatment records . If the veteran has been treated in a private medical facility and those records are relevant to the claim, complete a separate 21-4142 for each place you want us to get records from.

**Discuss what the veteran should expect from the process from here, and remind them that you are there for support if needed. Remind them that they will be required to report any changes in income, dependents or net worth. Eligibility verification reports are required annually.**

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**WAR TIME PERIODS JOB AID**

**Gulf War** 0L

August 2, 1990, through date to be prescribed by Presidential proclamation or law.

**Vietnam Era** 7L

The period beginning on February 28, 1961, and ending on May 7, 1975, inclusive, in the case of a veteran who served in the Republic of Vietnam during that period. The period beginning on August 5, 1964, and ending on May 7, 1975, inclusive, in all other cases.

**Korean Conflict** 3L

June 27, 1950, through January 31, 1955, inclusive.

**World War II** 2L

December 7, 1941, through December 31, 1946, inclusive. If the veteran was in service on December 31, 1946, continuous service before July 26, 1947, is considered World War II service.

**World War I** 1L

April 6, 1917, through November 11, 1918, inclusive. If the veteran served with the United States military forces in Russia, the ending date is April 1, 1920. Service after November 11, 1918 and before July 2, 1921 is considered World War I service if the veteran served in the active military, naval, or air service after April 5, 1917 and before November 12, 1918.

**Mexican Border Period** 6L

May 9, 1916, through April 5, 1917, in the case of a veteran who during such period served in Mexico, on the borders thereof, or in the waters adjacent thereto.